1990 ANNUAL REPORT

Alberta
Sp
Manage

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Cover Title:
The Underlying Reasons for Special Waste Management

CORPORATE OBJECTIVES AND DIRECTIONS

The Alberta Special Waste Management System undertakes the identification, transportation, treatment and safe disposal of hazardous wastes within Alberta.

Underlying this role is a determination to preserve and protect Alberta's air, land and water for future generations.

An Alberta Crown Corporation, the Alberta Special Waste Management Corporation was established on April 1, 1984. Its objectives and directions are:

(a) to ensure the establishment and operation of sufficient Corporation facilities to deal adequately with hazardous waste that is not being adequately dealt with by other hazardous waste management facilities,

(b) to ensure that Corporation facilities are established, operated and maintained in a manner that will protect the health and safety of the public and the environment,

(c) to ensure the protection of the health and safety of the public and the environment following the closure of Corporation facilities,

(d) to ensure that, wherever practicable, Corporation facilities are established, operated and maintained by operators from the private sector.

Alberta
ENVIRONMENT

Office of the Minister

130 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2391

February, 1991

Honourable Dr. D. Carter
Speaker of the Legislative Assembly
325 Legislature Building
Edmonton, Alberta
T5K 2B6

Sir:

I have the honour to present the sixth annual report of the Alberta Special Waste Management Corporation, which covers the fiscal year ending March 31, 1990.

Respectfully submitted,

Ralph P. Klein
Minister of the Environment

Alberta Special Waste Management Corporation

AN ALBERTA CROWN CORPORATION

February, 1991

Honourable Ralph P. Klein
Minister
Alberta Environment
130 Legislature Building
Edmonton, Alberta
T5K 2B6

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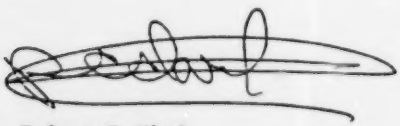
Respectfully submitted,



Robert C. Clark
Chairman

REPORT OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

THE LARGER ROLE OF THE ALBERTA SPECIAL WASTE MANAGEMENT SYSTEM

As we review the activities of the Alberta Special Waste Management Corporation in its sixth year of operation, this seems an appropriate time to examine how well the organization has fulfilled its original mandate.

The Corporation was established in 1984 by the Government of Alberta to *plan, develop, oversee and manage* a system of hazardous waste treatment and disposal for provincial industries which were not managing their own wastes. At the core of this system was, and is, the Alberta Special Waste Treatment Centre near Swan Hills, a fully-integrated waste management facility which became operational in 1987.

Today, the planning and initial development phase of the operation is complete. For the first time in North America, an integrated treatment plant has been brought into being based on environmental and social acceptance. And the Alberta Special Waste Management System has become a functioning reality – with a system of local waste collection facilities in place and regional transfer stations being sited as demand dictates.

It is important to recognize, however, that these successes were achieved in close collaboration with both the public and private sector – and that the involvement and encouragement of market forces in the entire process of waste management is seen as fundamental.

As a Crown corporation, the Alberta Special Waste Management Corporation is conscious of its responsibility to operate for the ultimate benefit of all Albertans. Its philosophy demands not only that it should work within reasonable budgetary disciplines but that it should also provide a return on investment – either in services or profit.

This is especially important as the Corporation examines how it can best serve Albertans in future. From initiator and developer of the basic system it has moved into the role of overseer and manager, a responsibility which extends beyond that of monitoring the system and its operators.

As the body responsible for the establishment and operation of a safe system for hazardous waste management, Alberta Special Waste Management Corporation must also explore options for the reduction, re-use, recycling and recovery of special wastes which are both effective and economical.

Education is an important part of this total process. Over the past year, the Corporation expanded its involvement in community awareness and educational endeavours. In August, it introduced "In Our Backyard" – a study guide for community leaders and educators which has been enthusiastically received.

The Corporation made substantial contributions of services, expertise, manpower and funding to Alberta's Household Hazardous Waste Toxic Round-Up and Great Drug Round-Up Programs.

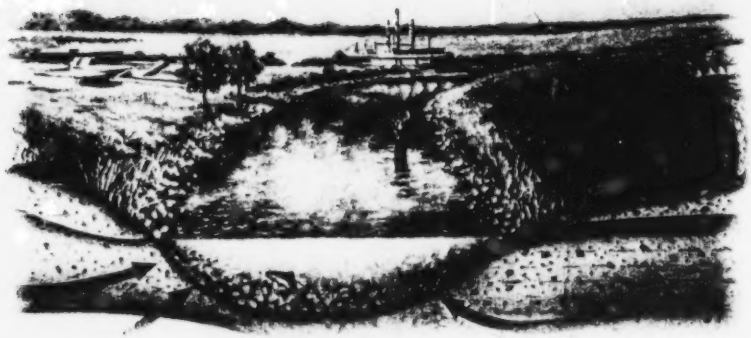
Indicative of the expanding role of the Alberta Special Waste Management Corporation is that, this year, for the first time, the Corporation accepted management responsibility for the Pesticide Container Recycling Program in Alberta.

Perhaps the most innovative venture this year was the initiation and development of a body to facilitate and coordinate the export of environmental and waste management expertise to North American and world markets.

The year has been one of many successes and many challenges. It has seen Alberta, supported by its open-minded and innovative people, firmly establish itself as the most advanced waste management jurisdiction in North America.

R.C. Clark
Chairman

K.J. Simpson, P.Eng.
President and Chief Executive Officer



Seepage from improper disposal of agricultural chemicals can enter creeks and ditches, affecting the entire food chain.

Alberta maintains 100 permanent collection sites for used pesticide containers – part of a total program of collection, clean-up and recycling.

RESEARCH INTO POSSIBLE NEW WASTE PROGRAMS

Alberta's annual output of some 700,000 pesticide containers is one of various specialized waste streams demanding urgent response. Used oil collected through the Oil Drop program is another. The Corporation maintains an active research program to determine the nature and volume of future waste streams and to explore methods of treatment and recycling.

The varied nature of these wastes points up Alberta's foresight in creating a fully-integrated and expandable waste treatment facility.

The large volumes of solid wastes generated by industrial site decontamination, for example, were not a factor when the plant was originally designed. What was anticipated, however, was the likelihood of changing waste streams and the need to respond accordingly.

INITIATIVES IN WASTE MINIMIZATION

While the Alberta Special Waste Treatment Centre remains the flagship of the system, the Corporation is actively encouraging other private enterprise operations which provide specialized treatment services. Quite clearly, every tonne of special waste does not have to be trucked to Swan Hills since some components, water in particular, are not chemically hazardous.

There are alternatives. One option to transporting large volumes of water is to de-water and concentrate the waste. For this reason, the Corporation is encouraging the private sector to become involved in businesses that will prepare such waste for shipment through reduction and concentration.

Similarly, if the Corporation can promote recycling, recovery, and re-use of materials as an alternative to transportation and treatment, this will make the most effective and economical use of system facilities.

The Alberta Special Waste Services Association, with its 125 member firms, is expected to make a significant contribution in this area.

INTERGOVERNMENTAL COOPERATION

From November through early 1990, the Alberta Special Waste Treatment Centre was the site for a series of tests on the Vesta mobile incinerator.

The operator of the system, Chem-Security (Alberta) Ltd., cooperated with Environment Canada, the Quebec and Ontario Ministries of the Environment, Ontario Hydro, Hydro-Quebec, and Vesta Technology Limited by allowing the Centre to be used as a site for an extensive evaluation of this technology – which could help to relieve the problem of accumulated PCBs in communities across the country.

The Vesta 100 incinerator underwent a series of three tests, in which PCB wastes were burned at temperatures above 1100°C. The program involved a stringent test protocol including the monitoring and analysis of emissions. Results are being analysed by an independent quality control/ quality assurance expert.

About two-thirds of Alberta's special wastes are generated by large industry – most of this being properly treated on the site where it is produced. Almost one-third is thought to come from households and small businesses.

A PERIOD OF TRANSITION

For the Alberta Special Waste Management Corporation, its sixth year of operation was a period of transition. Having successfully initiated the special waste management system in Alberta, and having established itself as the managerial authority controlling the off-site disposal of potentially hazardous wastes, the Corporation proceeded to fulfil the wider demands of its original mandate.

Recognizing the high costs of transportation and disposal, it sought to encourage an awareness of the *options* open to waste generators – the economic alternatives summarized in the "4Rs" of hazardous waste management:

– **Reducing** the amount of waste at source
– **Re-using** materials instead of discarding
– **Recycling** materials wherever possible
– **Recovering** energy or by-products from discarded materials

Such initiatives in waste minimization are seen as inevitable with increasing demands on the present system and the possible introduction of new waste streams.

COMMUNITY INVOLVEMENT

At the same time, the Corporation increased its efforts at the grass roots level, as demonstrated in its community involvement throughout the year.

- During May, the Corporation lent its support to the second Great Drug Round-Up. This province-wide program is sponsored by the Alberta Pharmaceutical Association with the support of the Association of Registered Nurses, the Poison and Drug Information Centre and ASWMC. This year's Great Drug Round-Up collected more than 11 tonnes of old, unused and outdated medications.
- In its second year of operations, the Toxic Round-Up program continued to meet an obvious need by households. The Corporation collaborated with 71 communities throughout Alberta to stage special collection days for toxic household materials. Through its efforts, approximately 70% of Albertans had access to a Toxic Round-Up in close proximity to their homes. A total of 1,600 drums of waste was collected.
- The establishment of Transfer Stations for special wastes throughout the province continues to be a priority. A number of companies are actively seeking licensing for the operation of such stations.
- In September 1989, Alberta Environment assigned responsibility to the Corporation for the collection and recycling of used pesticide containers from the 1990 crop year. This was a considerable task involving approximately half a million containers stored at 96 sites throughout the province. The Corporation effectively responded to the challenge as well as undertaking responsibility for bulked containers stored from the previous two crop years.
- The Corporation was asked by the Minister of the Environment to develop short-term and long-term solutions to the problem of used motor oils, stored in publicly-funded Oil Drop tanks at 46 municipalities. Because current economic conditions make the collection and re-refining of these oils impractical, ways are being sought to establish some form of cooperative program with the oil industry.

NEW ROTARY KILN NEARING COMPLETION

When the Alberta Special Waste Treatment Centre was opened in September, 1987, its incinerator was expected to treat the then estimated organic waste stream volume. The twin rocking kilns selected for the incineration process had the capability to handle liquids, sludges or solids – even 45 gallon drums – although preliminary research had indicated that waste streams would consist mainly of liquid materials.

In the expectation that waste types and volumes would change, however, the plant was designed in modular fashion so as to permit additional incineration facilities.

This foresight has since contributed to considerable savings in time and expense with the addition of a new rotary kiln intended to treat the growing volumes of solid materials.

Chem-Security (Alberta) Limited, the operator of the Treatment Centre, can take pride in the speed and efficiency with which this new unit has been installed. Design and construction was commenced in spring, 1989 and the kiln is expected to be complete and operating by mid-1990.

The new incinerator is an intermediate-size rotary kiln intended to supplement the existing, smaller, rocking kilns. It is being added specifically to handle the large quantities of solid material, soil and contaminated debris being received at the plant which are overtaxing the capacity of the rocking kilns.

The new unit will add about 8 000 tonnes incineration capacity per year to the 6 000 tonnes presently being processed through the rocking kilns. Successful commissioning of the rotary kiln is anticipated by mid-year.

Despite this improvement in incineration capacity, the Corporation still anticipates a major backlog as different types of waste come on stream in the province. It is therefore considering a major additional expansion to the Special Waste Treatment Centre from late 1990 to late 1993.

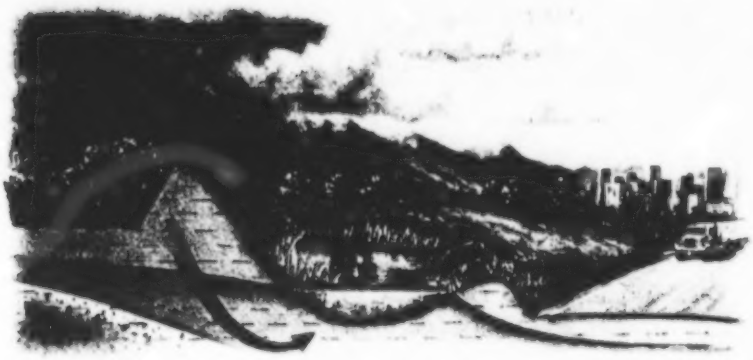
This proposed midstream modification to the Centre's facilities is, in part, a response to increased waste streams from an unexpected source. As the public consciousness of environmental hazards has grown, so has the need for extensive industrial site decontamination. The resultant solids and sludges which used to go into landfill are now being safely treated without any risk of toxins leaching into rivers or groundwater.

The needed addition also points up the difficulty of predicting waste streams in the face of changing regulations and societal change. Despite the extensive research which preceded the development of the Treatment Centre, for example, there is still some lingering criticism over the choice of incineration equipment; this, despite the fact that the twin rocking kilns have proved themselves admirably.

Obviously, such developments can only proceed on the basis of the information available. When the first kilns were designed, some five or six years ago, they were manufactured on the basis of then-current data on waste inventories, and on information gained from functioning European operations.

Today, the task of predicting possible waste streams has become increasingly complex, to the degree that the Corporation is engaged in extensive research aimed at minimizing the impact on all areas of the Alberta Special Waste Management System.

The key continues to be a flexible approach which keeps open the numerous options necessary to accommodate a constantly-changing waste stream.



Alberta has 2,000 times more groundwater than surface water. To protect this resource from contamination, restrictions on dumping and landfilling are essential.

Alberta provides accessible options for the disposal of special wastes, including state-of-the-art treatment and disposal facilities, licensed storage sites and transfer stations, and carefully monitored transportation. The system is supported by a continuing program of public education.

CONTRACT AWARDED FOR PESTICIDE CONTAINER RECYCLING

In February of this year, the Corporation awarded a $756,805 contract for the collection and recycling of pesticide containers from the 1989 crop year to an Alberta-based waste management company.

The project involves the collection and recycling of over 700,000 pesticide containers from 96 storage sites throughout the province. Work will commence in mid-March, 1990 and all sites are expected to be cleared of 1989 containers by the end of 1990.

The containers will be drained and shredded on site then shipped to a central location for washing. The residual pesticide collected, which cannot be recycled, will be treated in accordance with established treatment procedures. The shredded plastic materials will be washed and sent to an approved plastic manufacturer for reprocessing into non-food-containing products. (One proposed use is drainage pipe.) Similarly, shredded steel and aluminum will be sent to the steel industry for reprocessing.

Fifteen tenders were received by the Corporation for this program. Funding for the project is provided through a program administered by the Crop Protection Institute of Canada.

Tenders for handling bagged containers from the 1987-88 crop year have also been invited from the companies which made bids on the disposal of the 1989 crop year containers.

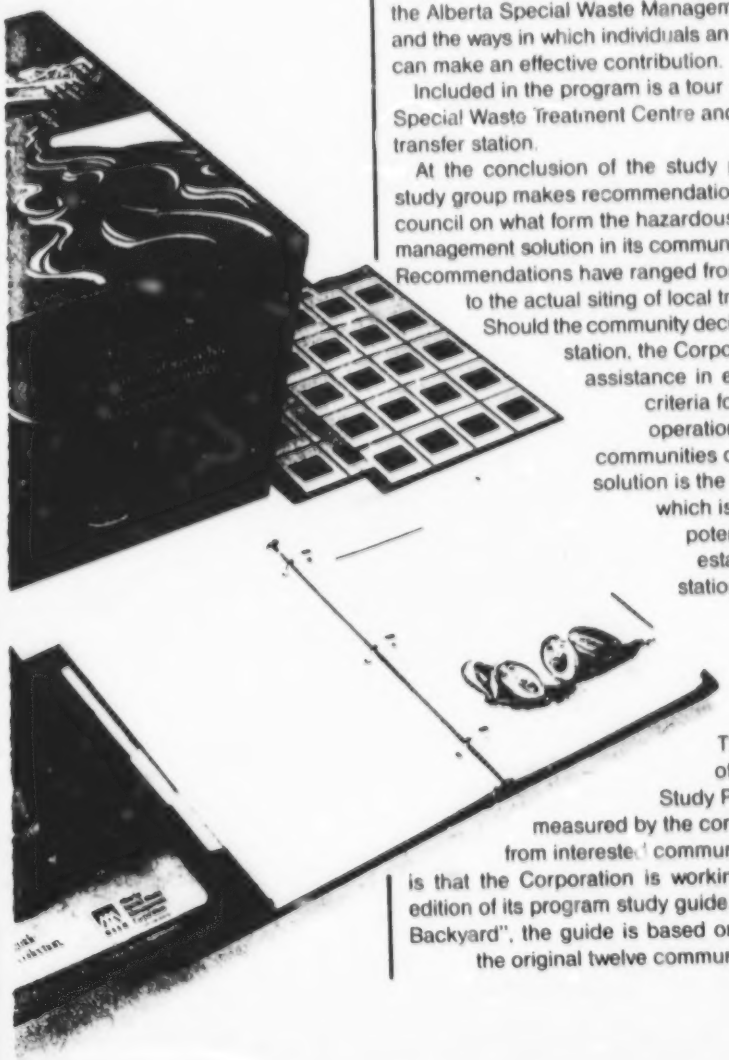
COMMUNITY STUDY PROGRAMS: "THERE IS A BETTER WAY"

Community education and involvement are essential to the continuing implementation of waste management solutions. Over the past year, representatives of the Alberta Special Waste Management Corporation have conducted study programs in Airdrie, Edson, Grande Prairie, Hinton, Innisfail, Lac St. Anne, Lethbridge, Onoway, Redwater and Ryley. Sessions are planned for Lac La Biche and Drayton Valley in April and May, respectively. In every instance, the participating study groups represent a broad cross-section of each community.

The program usually consists of three or four sessions of two hours duration. These cover the scope of the problem, the solutions presented by the Alberta Special Waste Management System, and the ways in which individuals and communities can make an effective contribution.

Included in the program is a tour of the Alberta Special Waste Treatment Centre and a visit to a transfer station.

At the conclusion of the study program, each study group makes recommendations to its local council on what form the hazardous waste management solution in its community should take. Recommendations have ranged from education to the actual siting of local transfer stations. Should the community decide on a transfer station, the Corporation provides assistance in establishing the criteria for the proposed operation. Typical of the communities considering this solution is the Village of Ryley which is working with a potential operator to establish a transfer station later this year.



The effectiveness of the Community Study Programs can be measured by the continuing demand from interested communities. One result is that the Corporation is working on a second edition of its program study guide. Entitled "In Our Backyard", the guide is based on feedback from the original twelve communities. Also being established is a "Train the Trainer" program which will employ the updated study guide in training group leaders at the community level.

THE GREAT DRUG ROUND-UP

During May, Alberta Special Waste Management Corporation lent its support to the second Great Drug Round-Up. This province-wide program is sponsored by the Alberta Pharmaceutical Association with the support of the Association of Registered Nurses, the Poison and Drug Information Centre and ASWMC.

The 1989 Great Drug Round-Up resulted in the collection of more than 11 tonnes of old, unused and outdated medications. The oldest item returned was a salve dated 1939.

The aim of the annual Round-Up is to help reduce the incidence of poisonings in the home and to ensure the proper disposal of medicines. Every month, there are some 400 drug poisonings in children under five with medicines being the most common cause.

All materials collected under the program will be sent to the Alberta Special Waste Treatment Centre for environmentally-safe disposal.

Alberta's forty years of resource development have been matched by innovation in every area of environmental protection. The result is a wealth of hard-won expertise – embracing research and technology, planning and construction, training and education. The knowledge is made available to national and international markets through ENTRUST Canada Inc

THE FORMATION OF ENTRUST CANADA INC.

In the Throne Speech of February 1989, the provincial government announced its intention to establish a Centre of Expertise in environmental and waste management. This was reaffirmed by the Premier at the First Ministers Conference held late in 1989. A Steering Committee of industry and government representatives was established to help identify the vast environmental expertise available through Alberta's institutions and the private sector.

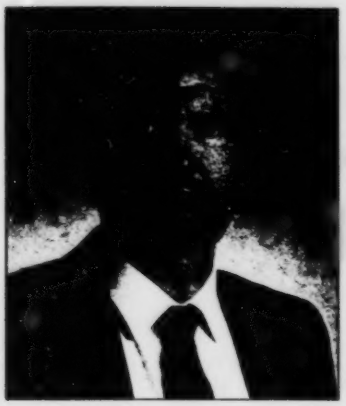
ENTRUST will be a cooperative venture of its member sponsors drawn from a broad spectrum of industry, research and educational institutes, government and government agencies.

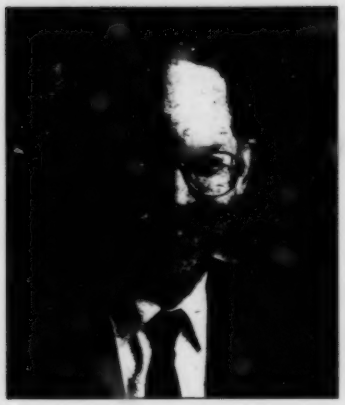
EN•TRUST

CANADA INC.

Initiated and coordinated by the Corporation, ENTRUST will support and enhance the commercial application of Albertan and Canadian expertise and technology in national and international markets.

The Centre of Expertise will seek to facilitate collaborative research, education, technology development and commercial export initiatives.





KEN J. SIMPSON

Effective February, 1990, Ken J. Simpson was appointed to the position of President and Chief Executive Officer of Alberta Special Waste Management Corporation.

A professional engineer, Mr. Simpson has over twenty years' experience in environmental management and pollution control in the areas of consulting, contracting and government both in Canada and overseas. He was closely involved in the development of the Alberta Special Waste Treatment Centre and has been active in many of Alberta's innovative waste management projects including recycling, resource recovery and landfill regionalization.

Since September of 1984, Mr. Simpson has held the position of Senior Vice-President of Alberta Special Waste Management Corporation with responsibility for system development and operations.

CHRISTOPHER A. ZEISS

As a research associate to the Corporation in 1988, Dr. Zeiss conducted extensive studies into the waste reduction and treatment methods used by hazardous waste generators, particularly with regard to determining future disposal capacity needs and possible environmental impacts.

His contributions led to his appointment, in October 1989, to the position of Environmental Manager.

Dr. Zeiss brings exceptional qualifications to this challenging position. His experience includes six years as Project Engineer with a major international engineering company in Switzerland and the U.S.A. As Project Engineer for Solid Waste Management with the Greater Vancouver Regional District, he planned and implemented waste disposal facilities for the Greater Vancouver area.

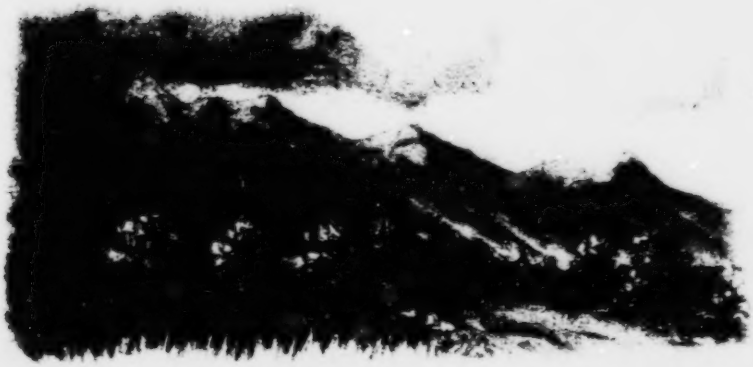
He spent three years as Associate Director of Research with the Advanced Ecology Corporation of Vancouver, specializing in the areas of solid waste management, plant operations, cost modelling and funding. His appointment to the Corporation coincided with the completion of his doctoral degree in Environmental Engineering at the University of British Columbia.

IRENE L. CHANIN

Effective July 1989, Irene L. Chanin was appointed Vice-President, Communications, replacing Mr. Bob Paddon who moved on to new challenges in the environmental field. Ms. Chanin joined Alberta Special Waste Management Corporation from Winnipeg, where she held a senior management position with a national advertising and public relations firm. Her experience in the development and execution of information programs was called upon throughout the year as the Corporation increased its activity at the community level.

Ms. Chanin's educational background in psychology has proved invaluable throughout her career in social marketing. Her experience in Winnipeg together with previous consulting positions held in Toronto and Ottawa has made Ms. Chanin ideally qualified for the task of communicating the Corporation's often-complex message to its publics.

Ms. Chanin's present responsibilities include overseeing the community relations, education and communications functions of the Corporation.



The Alberta Special Waste Management Corporation is a provincial Crown Corporation responsible for the development and management of a system to handle hazardous wastes not being adequately dealt with by other facilities.

It ensures that all parts of the system – collection and transfer stations, transportation, and treatment facilities – are established, operated and maintained in a manner consistent with high standards of public health, safety and environmental quality.

ALBERTA SPECIAL WASTE MANAGEMENT CORPORATION

BOARD MEMBERS

The activities of the Alberta Special Waste Management Corporation are governed by a Board. Members of the Board are appointed by the Lieutenant Governor in Council on the basis of recommendations by the Minister of the Environment. The intention is to represent the interests of all areas through people of proven effectiveness in business, technology, and public affairs. Most particularly, members must share a common concern for the protection and enhancement of the environment.

Members of the Board serve a two-year term, overlapping their periods of service so as to ensure continuity.

Seated: (Left to Right)

Robert C. Clark
Chairman, Carstairs

Maurice Fitzpatrick
Leduc

William K. Ross, P.Eng.
Vice-Chairman, Calgary

Peter Moore
Slave Lake

Standing (Left to Right)

Ken J. Simpson, M.Sc., P.Eng.
President and Chief Executive Officer

Ken Nagel
Swan Hills

Al MacFarlane
Whitecourt

Tak Okamura, A.L.S., P.Eng.
Lethbridge

Ronald E. McKague, F.C.A.
Secretary to the Board
(Not in photograph)

OFFICERS AND STAFF OF THE CORPORATION

Ken J. Simpson, M.Sc., P.Eng.
President and Chief Executive Officer

Ronald E. McKague, F.C.A.
Vice-President
Finance and Administration

Irene L. Chanin
Vice-President, Communications

Tom Thackeray
Program Development Manager

Christopher A. Zeiss, Ph.D., P.Eng.
Environmental Manager

Colleen P. Smecko
Manager, Office Services

Judy Augustin
Clerk/Steno

Janette McKinnon
Receptionist

SWAN HILLS LIAISON COMMITTEE

Dave Wenger
Chairman

Chris Brunelle

Duane Dingman

Allan Gray

Rose Parker

Debora Spiller

Marrilee Stephenson

MEMBERSHIPS

Air and Waste Management Association
Alberta Special Waste Services Association
Better Business Bureau, Edmonton
Chamber of Commerce, Edmonton
Chamber of Commerce, Leduc
Chamber of Commerce, Swan Hills
Consortium of State Hazardous Waste Siting Authorities
Governmental Refuse Collection and Disposal Association
Hazardous Waste Treatment Council (Associate)
National Solid Waste Management Association
Nisku Business Association
Pacific Basin Consortium for Hazardous Waste Research

AUDITOR'S REPORT

To the Members of the
Alberta Special Waste
Management Corporation

I have examined the balance sheet of the Alberta Special Waste Management Corporation as at March 31, 1990 and the statement of revenue, expenditure and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting, as described in Note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

Donald D. Salmon

Edmonton, Alberta
August 23, 1990

FCA
Auditor General

BALANCE SHEET

AS AT MARCH 31, 1990
(thousands of dollars)

		1990	1989
ASSETS	Current:		
	Cash	$ 8,776	$11,763
	Accounts receivable	1,433	148
	Prepaid expense	5	8
		10,214	11,919
	Investment in joint venture (Note 3)	20,061	17,273
	Fixed (Note 4)	2,931	6,978
		$33,206	$36,170
LIABILITIES AND EQUITY	Current liabilities:		
	Due to joint venture	$ 1,118	$ 1,330
	Accounts payable	581	141
	Estimated future treatment costs (Note 5)	1,891	102
	Security deposits	15	17
		3,605	1,590
	Equity:		
	Equity in joint venture	20,061	17,273
	Equity in fixed assets	2,931	6,978
	Retained earnings	6,609	10,329
		29,601	34,580
		$33,206	$36,170

The accompanying notes are part of these financial statements.

STATEMENT OF REVENUE, EXPENDITURE AND RETAINED EARNINGS

FOR THE YEAR ENDED MARCH 31, 1990
(thousands of dollars)

		1990	1989
REVENUE	Grant from the Province of Alberta, General Revenue Fund	$25,065	$27,958
	Interest earnings	2,242	2,083
	Other	2	1
		27,309	30,042
EXPENDITURE	Joint venture:		
	Contributions to operations, net (Note 6)	21,810	21,643
	Investment (recovery) (Note 3)	2,788	(958)
	Administration:		
	Acquisition of fixed assets (Note 4)	1,984	145
	Public awareness and education	784	945
	Salaries and employee benefits	508	464
	External consulting services	164	165
	Travel	105	90
	Supplies and services	70	58
	Other	60	32
	Collection and storage operations:		
	Waste disposal	632	798
	Occupancy, net	319	318
	Repairs and maintenance	170	165
	Contract services	109	110
	Other	94	81
	Community waste programs:		
	Household round-ups	1,172	262
	Centre for environmental and waste management	252	–
	Maintenance of Swan Hills facility utility services	8	161
		31,029	24,479
	Excess (deficiency) of revenue over expenditure	(3,720)	5,563
	Retained earnings at beginning of year	10,329	4,766
	Retained earnings at end of year	$ 6,609	$10,329

The accompanying notes are part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1990

Note 1.
Authority

The Alberta Special Waste Management Corporation operates under the authority of the Special Waste Management Act, Chapter S-21.5, Statutes of Alberta 1982, as amended.

Note 2.
Significant Accounting Policies and Reporting Practices

a) These financial statements have been prepared in accordance with generally accepted accounting principles except as follows:

(i) The cost of fixed assets is expensed in the year of acquisition. Fixed assets are also shown on the balance sheet at cost with a corresponding credit to equity in fixed assets.

(ii) The annual investment in or recovery from the participation in the joint venture is included in expenditure for the year. The cumulative net investment is shown on the balance sheet at cost with a corresponding credit to equity in joint venture.

b) A statement of changes in financial position has not been provided as disclosure in these financial statements is considered to be adequate.

Note 3.
Investment in Joint Venture

The Corporation has a 40% interest in a joint venture to establish, own, operate and maintain a part of the Alberta Special Waste Management System. The investment in the joint venture is summarized hereunder:

	1990	1989
	(thousands of dollars)	
Balance at beginning of year	$17,273	$18,231
Investment (recovery)	2,788	(958)
Balance at end of year	$20,061	$17,273

Note 4.
Fixed Assets

Fixed assets consist of the following:

	Balance March 31, 1989	Additions During Year	Deletions	Balance March 31, 1990
		(thousands of dollars)		
Swan Hills facility services:				
Access road	$4,741	$1,290	$6,031	$ –
Utilities	1,761	622	–	2,383
Deep well lease	90	–	–	90
Land	74	–	–	74
	6,666	1,912	6,031	2,547
Furniture and equipment	80	62	–	142
Leasehold improvements	232	10	–	242
	$6,978	$1,984	$6,031	$2,931

Ownership of and responsibility for the access road to the Swan Hills facility, at a cost of $6,031,000, was transferred to the Department of Transportation and Utilities.

Note 5.
Estimated Future Treatment Costs

Corporation sponsored community programs have accumulated waste for which the future treatment cost is estimated as follows:

	1990	1989
	(thousands of dollars)	
Pesticide containers ...	$1,374	$102
Household materials ...	469	–
Drugs	48	–
	$1,891	$102

Note 6.
Contributions to Operations, Net

Under the terms of the joint venture agreement, the Corporation agrees to pay an amount which provides the joint venture with an agreed rate of return. The Corporation's share of the joint venture's net income is netted against the contributions.

Note 7.
Commitment

Under an April 1986 agreement with the Minister of Environment, representing the Province of Alberta, the Corporation assumed responsibility for continued storage and eventual transportation, treatment and disposal of hazardous wastes accumulated in warehouses at Nisku, Alberta. The future cost of disposition of these materials on hand at March 31, 1990 is estimated at $5 million.

Corporation Office

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Note 8.
Guarantee

The Corporation and Bovar (formerly Bow Valley Resource Services Ltd.) have jointly and severally guaranteed payments of the joint venture arising from sub-leases of certain properties with two separate corporations. The amount outstanding under these guarantees at March 31, 1990 is approximately $5.2 million (1989 $5.9 million).

Note 9.
Administration Expenses

Head office premises and certain basic office furnishings are provided by the Province of Alberta. These assets and certain administrative services are provided at no charge and accordingly are not reflected in these financial statements.

Note 10.
Comparative Figures

The 1989 figures have been reclassified where necessary to conform to 1990 presentation.

Note 11.
Approval of Financial Statements

These financial statements have been approved by the members of the Corporation.

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